

Message Text

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ORIGIN ARA-14

INFO OCT-01 ISO-00 EB-08 INT-05 AID-05 CIAE-00 COME-00
FRB-03 INR-10 NSAE-00 ICA-11 TRSE-00 XMB-02
OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15
STR-07 CEA-01 HA-05 L-03 /106 R

DRAFTED BY USOAS:NTSHAFT
APPROVED BY USOAS:IGTRAGEN
EB/ORF/ICD:CEANGEVINE (DRAFT)
ARA/AND:DTTOYRYLA (DRAFT)
ARA/ECP/TCR:WDBLRSON (DRAFT)
EB/ORF/ISM:WCLENAHAN
-----085444 231303Z /47
R 230617Z MAY 78
FM SECSTATE WASHDC
TO AMEMBASSY LA PAZ

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E.O. 11652: N.A.

TAGS: BL, EMIN, OAS

SUBJECT: TIN IN THE OAS PERMANENT COUNCIL AGAIN

REF: STATE 67251

SUMMARY:

1. BOLIVIA'S AMBASSADOR TO THE OAS, FERNANDO ORTIZ SANZ,
REQUESTED A SPECIAL SESSION OF THE PERMANENT COUNCIL TO
PROTEST AGAINST "THE U.S. INTENTION TO PLACE A LARGE
TONNAGE OF TIN FROM NONCOMMERCIAL RESERVES ON THE
INTERNATIONAL MARKET." THE SESSION WAS HELD MAY 18,
FEATURING A 25 MINUTE THIRD WORLDISH SPEECH BY ORTIZ SANZ.
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TWENTY OTHER DELEGATES -E.G., ALL THE OTHERS IN ATTENDANCE-
EXPRESSED THEIR SOLIDARITY WITH BOLIVIA WITH VARYING
DEGREES OF ENTHUSIASM. THE U.S. CRITICIZED THE ABRUPT MANNER
IN WHICH THE SPECIAL SESSION WAS CALLED, RECITED OUR PREVIOUS
AGREEMENTS TO CONSULT ON TIN DISPOSALS BILATERALLY AND
MULTILATERALLY, AND DECLINED TO ENTER INTO SUBSTANTIVE
DISCUSSION OF THE TIN MARKET. EMBASSY'S ADVICE ON GOB'S

COMMITMENT TO THIS OAS APPROACH, AND ASSISTANCE IN TURNING IT OFF, WOULD BE APPRECIATED. END SUMMARY

2. ORTIZ SANZ BEGAN HIS SPEECH BY REVIEWING HIS STATEMENT

TO THE PERMANENT COUNCIL ON MARCH 15 (REFTEL). HE THEN TREATED US TO AN OUTLINE OF RECENT HISTORY OF BOLIVIAN TIN, BEGINNING WITH BOLIVIA'S COOPERATION AS A TIN SUPPLIER DURING WORLD WAR II. HE WENT ON TO QUOTE BOLIVIAN STATEMENTS ON TIN IN OTHER FORUMS, AND TO CITE THE OAS CHARTER AND RESOLUTIONS, UN RESOLUTIONS, LATIN AMERICAN ASPIRATIONS FOR INTERNATIONAL SOCIAL JUSTICE, ETC. HE ENDED BY TYING THE ECONOMIC WELLBEING OF BOLIVIA'S PEOPLE, AND THUS TIN PRICES, TO HUMAN RIGHTS, QUOTING A PASSAGE FROM PRESIDENT CARTER'S NEW DELHI SPEECH LAST JANUARY CONCERNING HUMAN RIGHTS AND BASIC HUMAN NEEDS.

3. THE U.S. (TRAGEN) EXPRESSED DISPLEASURE THAT THE SPECIAL SESSION OF THE PERMANENT COUNCIL WAS CALLED WITH BARELY 48 HOURS NOTICE AND WITHOUT THE COURTESY OF AN INFORMAL CONSULTATION WITH US ABOUT THE CONVOCAION BEFOREHAND. HE EXPLAINED THAT OUR CONGRESS IS CONSIDERING SEVERAL BILLS TO AUTHORIZE TIN DISPOSALS FROM OUR STRATEGIC STOCKPILE, BUT THE OUTCOME IS AS YET UNCLEAR. UNTIL AUTHORITY TO MAKE DISPOSALS HAS BEEN ENACTED, CONSULTATIONS WOULD BE SPECULATIVE AND COULD BE VIEWED BY THE CONGRESS LIMITED OFFICIAL USE

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AS AN INFRINGEMENT OF ITS ROLE. WE ARE COMMITTED TO CONSULTING WITH THE INTERNATIONAL TIN COUNCIL AND BILATERALLY WITH TIN PRODUCERS ON DISPOSAL PLANS WHEN DISPOSAL AUTHORITY EXISTS. WE ARE ALSO COMMITTED UNDER THE INTERNATIONAL TIN AGREEMENT AND OUR OWN STRATEGIC STOCKPILE ACT TO AVOID UNDUE DISRUPTION OF THE TIN MARKET IN MAKING TIN DISPOSALS. HE CONCLUDED BY NOTING THAT PRESIDENT CARTER HAS WRITTEN TO PRESIDENT BANZER TO CONFIRM THESE COMMITMENTS. SPECIAL SESSION ADJOURNED WITH THE UNDERSTANDING THAT THE U.S. IS TO ADVISE AT A LATER DATE OF ITS READINESS TO CONTINUE THE DISCUSSION.

4. WHITE HOUSE AMBASSADOR ITURRALDE PROFESSES NOT TO KNOW THE IMPETUS OF ORTIZ SANZ' INITIATIVE. IT SEEMS HIGHLY IMPROBABLE THAT AN INDIVIDUAL SO CLOSELY ASSOCIATED WITH BOLIVIAN TIN POLICY AS ITURRALDE WOULD NOT KNOW THE ORIGIN OF THIS MOVE. ON THE OTHER HAND, BASED ON OUR PREVIOUS EXPERIENCE WITH HIM, WE ARE NOT SURE TO WHAT EXTENT ORTIZ SANZ MAY HAVE STRUCK OUT ON HIS OWN FOR THE SAKE OF HEADLINES IN LA PAZ. TIN DISPOSALS WERE DISCUSSED AND MADE THE SUBJECT OF A RESOLUTION BY CECON LESS THAN A MONTH AGO; WE HEARD A SHORTER VERSION OF THE SAME ORTIZ SANZ

SPEECH IN THE PERMANENT COUNCIL TWO MONTHS AGO; WE AGREE TO CONSULT BILATERALLY AND IN THE ITC; OUR OWN LEGISLATION REQUIRES AVOIDANCE OF UNDUE MARKET DISRUPTION; AND THERE IS PRESIDENTIAL CORRESPONDANCE ON THE SUBJECT. AT SOME POINT THE PROTESTS BECOME COUNTER-PRODUCTIVE; ORTIZ SANZ

MAY UNWITTINGLY COMPLICATE MATTERS WITH HIS POSING. SURPRISINGLY, HE DID NOT SEEM TO BE AWARE OF THE CARTER-BANZER LETTER. PLEASE INQUIRE AND ADVISE ON THE STRENGTH OF THE GOB'S COMMITMENT TO THIS LINE OF ATTACK, AND SEEK GOB INSTRUCTIONS TO ORTIZ SANZ TO DESIST IN THE PERMANENT COUNCIL AND IN THE OAS OVERALL UNTIL CONGRESS HAS ACTED. THEN BOLIVIA WILL HAVE TO DECIDE WHETHER IT WANTS TO CONSULT BILATERALLY AND IN THE ITC OR IN CECON OR THE LIMITED OFFICIAL USE

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PERMANENT COUNCIL. WE UNDERSTAND OF COURSE THAT THIS IS A MAJOR ISSUE FOR BOLIVIA, AND IS ESPECIALLY SENSITIVE IN THIS PRE-ELECTION PERIOD. YET WE DO NOT ENVISAGE CONSULTING IN EVERY FORUM IMAGINABLE, AND THINK THE ITC IS THE MOST APPROPRIATE INTERNATIONAL BODY FOR SUCH CONSULTATIONS. VANCE

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